

## STATE FIRE AND TORNADO INSURANCE FUND

### TELEPHONE SECTION

#### COVERAGE FORM

Insurance applies only to the items specifically described in this certificate for which an amount of Insurance is shown on the Declarations Page and, unless otherwise provided, all

provisions and stipulations of this form and certificate shall apply separately to each such item.

#### **A. COVERAGE**

We will pay for direct physical loss of or damage to Property Insured at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **B. COVERED PROPERTY**

Property Insured, as used in this certificate, means telephone systems as per schedules on file and for which a Limit of Insurance is shown in the Declarations.

#### **C. COVERED CAUSES OF LOSS - SPECIAL FORM**

Covered Causes of Loss - Special Form means risks of direct physical loss unless the loss is excluded in Section F, Exclusions.

#### **D. ADDITIONAL COVERAGES**

##### **1. DEBRIS REMOVAL**

a. We will pay your expense to remove debris of Property Insured caused by or resulting from a Covered Cause of Loss that occurs during the certificate period. The expenses will be paid only if they are reported to us in writing within 90 days of the date of direct physical loss or damage.

b. The most we will pay under this Additional Coverage is 25% of:

(1) The amount we pay for the direct physical loss of or damage to Property Insured; plus

(2) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.

**c.** This Additional Coverage does not apply to costs to:

**(1)** Extract pollutants from land or water; or

**(2)** Remove, restore or replace polluted land or water.

## **2. PRESERVATION OF PROPERTY**

If it is necessary to move Property Insured from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

**a.** While it is being moved or while temporarily stored at another location; and

**b.** Only if the loss or damage occurs within 10 days after the property is first moved.

## **3. FIRE DEPARTMENT SERVICE CHARGE**

When the fire department is called to save or protect Property Insured from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

**a.** Assumed by contract or agreement prior to loss; or

**b.** Required by local ordinance.

No Deductible applies to this Additional Coverage.

## **4. POLLUTANT CLEAN UP AND REMOVAL**

We will pay your expense to extract pollutants from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the pollutants is caused by or results from a Covered Cause of Loss that occurs during the policy periods. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

The Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of pollutants. But we will pay for

testing which is performed in the course of extracting the pollutants from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this certificate.

## **E. COVERAGE EXTENSION**

Except as otherwise provided, the following Extension applies to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described building.

You may extend the Insurance provided by this Coverage Part as follows:

### **Newly Acquired Property**

1. You may extend the Insurance that applies to your telephone system to apply to that property at any location you acquire other than at fairs or exhibitions.

2. It is understood and agreed that if you acquire additional property during the Certificate period, you have up to \$100,000 automatic coverage for 60 days. You are to report the acquisition(s) and submit the supporting schedule(s) and limit(s) of liability within 60 days. Any acquisition of \$100,000 or more must be reported immediately to be covered. We will charge you additional premium for values reported from the date you acquired the telephone system.

This Extension is additional insurance.

## **F. EXCLUSIONS**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

### **a. Ordinance or Law**

The enforcement of any ordinance or law:

(1) Regulating the construction, use or repair of any property: or

(2) Requiring the tearing down of any property, Including the cost of removing its debris.

### **b. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread. If the fire would be covered under this Coverage Part.

**c. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however, caused.

**d. Off-Premises Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

**e. War and Military Action**

**(1)** War, including undeclared or civil war;

**(2)** Warlike action by a military force, including action in hindering or defending against an actual expected attack, by any government, sovereign or other authority using military personnel or other agents; or

**(3)** Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**2.** We will not pay for loss or damage caused by or resulting from any of the following:

**a.** Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

**b.** Delay, loss or use of loss of market.

**c. (1)** Wear and tear;

**(2)** Rust, corrosions, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevation collision;

(4) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature;

or

(c) marring or scratching.

d. Dishonest or criminal act by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose.

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

e. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Rain, snow, ice or sleet to personal property in the open.

g. Collapse, except as provided below in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described building, we will pay for that resulting loss or damage.

h. Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape in itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss."

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage:

a. **Weather condition.** But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

b. **Acts or decisions.** Including the failure to act or decide, of

any person, group, organization or governmental body.

**c. Faulty, inadequate or defective:**

(1) Planning, zoning, development, surveying, sitting;

(2) Design, specification, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

**G. ADDITIONAL COVERAGE - COLLAPSE**

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused by the "specified causes of loss" as provided by the State Fire and Tornado Fund.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This additional coverage will not increase the limits of insurance provided in this Coverage Part.

**H. ADDITIONAL COVERAGE EXTENSIONS**

**1. PROPERTY IN TRANSIT.** This Extension applies only to your telephone system to which this form applies.

a. Coverage is extended to property while being delivered.

b. Loss or damage must be caused by or result from a covered cause of loss.

c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance.

**2. WATER DAMAGE, OTHER LIQUIDS, POWDER OR MOLTEN MATERIAL DAMAGE.** If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

## **I. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation of Property; or
2. Debris Removal; but if:
  - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

## **J. DEDUCTIBLE**

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

## **K. LOSS CONDITIONS**

The following conditions apply in case of a loss:

### **1. ABANDONMENT**

There can be no abandonment of any property to us.

## **2. DUTIES IN THE EVENT OF LOSS OR DAMAGE**

You must see that the following are done in the event of loss or damage to Property Insured:

- a.** Notify the police if a law may have been broken.
- b.** Give us prompt notice of the loss or damage. Include a description of the property involved.
- c.** As soon as possible, complete and submit Notice of Loss Form #LC-1, giving us a description of how, when and where the loss or damage occurred.
- d.** Take all reasonable steps to protect the Property Insured from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- e.** At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- f.** Report loss within 10 days from knowledge.
- g.** Report and Proof of Loss Form #DOA-11 shall be signed and returned by you within 14 days.
- h.** Cooperate with us in the investigation or settlement of the claim.

## **3. LOSS PAYMENT**

We will determine the value of Property Insured in the event of loss or damage as follows:

- a.** Pay the value of lost or damaged property;
- b.** Pay the cost of repairing or replacing the lost or damaged property;
- c.** Repair, rebuild or replace the property with other property of like kind and quality.

## **4. RECOVERED PROPERTY**

If either you or we recover any property after loss settlement, that



party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## **5. VACANCY**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

**a.** Not pay for any loss or damage caused by any of the following even if they are covered Causes of Loss:

- (1)** Vandalism;
- (2)** Sprinkler leakage, unless you have protected the system against freezing;
- (3)** Building glass breakage;
- (4)** Water damage;
- (5)** Theft; or
- (6)** Attempted theft.

**b.** Reduce the amount we would otherwise pay for the loss or damage by 15%.

A building is vacant when it does not contain enough business personal property to conduct customary operations or vacant for more than 60 consecutive days.

Buildings under construction are not considered vacant.

## **6. VALUATION**

We shall not be liable beyond the **ACTUAL CASH VALUE** of the property at the time any loss or damage occurs. The loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

## **L. ADDITIONAL CONDITIONS**

### **1. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under

this certificate without additional premium within 45 days prior to or during the certificate period, the broadened coverage will immediately apply to the certificate.

## **2. TERRITORY**

This certificate covers within the United States of America and Canada.